

Message Text

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FM SECSTATE WASHDC

TO ALL AFRICAN DIPLOMATIC POSTS

INFO AMEMBASSY BERN

AMEMBASSY LONDON

C O N F I D E N T I A L STATE 132216

E.O. 11652: GDS

TAGS: AF, EFIN

SUBJECT: LOANS BY A PRIVATE GROUP TO AFRICAN COUNTRIES

1. WE HAVE RECEIVED A RELIABLE REPORT THAT REPRESENTATIVES OF A NEW YORK CONCERN NAMED "CHALEGARD GROUP" WITH AN ADDRESS AT 103 PARK AVENUE HAVE MADE RECENT CALLS ON SEVERAL AFRICAN GOVERNMENTS; PARTICULARLY OF THE SMALLER AND POORER COUNTRIES, AND HAVE CLAIMED TO BE ABLE TO DELIVER LARGE AMOUNTS OF MONEY IN INCREMENTS OF 20-25 DOLS MILLION REPAYABLE IN 20 YEARS WITH NO INTEREST CHARGES REPEAT NO INTEREST CHARGES APART FROM A SUBSTANTIALBALLOONING OF THE AMOUNT DUE AT THE END OF THE 20-YEAR PERIOD. THEY ALSO CLAIM THAT NO REPEAT NO FRONT-END FEES (SUCH AS MIGHT BE EXPECTED FROM PROMOTERS WITH LITTLE INTENTION OR PROSPECT OF DELIVERING) WOULD BE INVOLVED.

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2. THE NAME OF THE NEW YORK CONCERN'S PRESIDENT IS MR. JOHN GALLARD. THE CHALEGARD GROUP ALSO CLAIMS AN ASSOCIATION WITH A BANK KNOWN AS THE LONDON IRISH BANK WITH A LONDON ADDRESS OF 33 QUEEN STREET. IN ADDITION, IT

USES "SAMA" AS A CABLE ADDRESS IN SWITZERLAND, WHICH SUGGESTS THAT IT MAY BE TRYING TO CLAIM A CONNECTION

WITH SAUDI ARABIA. (FYI: SAMA IS THE ACRONYM FOR SAUDIAN ARABIAN MONETARY AUTHORITY.)

3. WE UNDERSTAND THAT AT LEAST ONE AFRICAN GOVERNMENT HAS PROCEEDED QUITE FAR IN NEGOTIATIONS WITH THE CHALEGARD GROUP. ONE OF ITS OFFICIALS HAS APPARENTLY EVEN TRAVELED TO LONDON FOR DISCUSSIONS AT THE QUEEN STREET ADDRESS, ALTHOUGH WE CAN FIND NO LISTING OF THE LONDON IRISH BANK IN ANY RECORD OF BRITISH BANKS AVAILABLE HERE. THE AFRICAN OFFICIAL IN QUESTION IS REPORTED TO AGREE THAT THE CLAIM BY CHALEGARD GROUP SOUNDS PHONY, BUT IS PURSUING THE MATTER TO SEE IF THE MONEY CAN IN FACT BE DELIVERED.

4. ACTION REQUESTED: IF ANY FURTHER INFORMATION ON CHALEGARD GROUP COMES TO YOUR ATTENTION, PLEASE REPORT IT TO THE DEPARTMENT. HOWEVER, PLEASE DO NOT INITIATE ANY DISCUSSION OF THIS MATTER WITH THE HOST GOVERNMENT. KISSINGER

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<< END OF DOCUMENT >>

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